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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4429
INFO RUEHAC/AMEMBASSY ASUNCION 3767
RUEHBO/AMEMBASSY BOGOTA 2281
RUEHBU/AMEMBASSY BUENOS AIRES 1282
RUEHBR/AMEMBASSY BRASILIA 0679
RUEHCV/AMEMBASSY CARACAS 1941
RUEHPE/AMEMBASSY LIMA 5955
RUEHMN/AMEMBASSY MONTEVIDEO 4222
RUEHQT/AMEMBASSY QUITO 2147
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

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STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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SUBJECT: CHILE MEDIA REPORT - FEBRUARY 12

Leading Stories

1. Dailies report that the Central Bank is likely to lower the interest rates today. Other front-page news highlighted the U.S. dollar exchange rate, which dropped below 600 pesos for the first time since late last year. Dailies also ran front-page photographs of Bachelet with Cuban President Raul Castro in Havana.

U.S.-Related News

2. Chilean economist and UCLA professor Sebastian Edwards said the United States should look at the banking recapitalization plan Chile applied in the 1980s and at Mexico's economic initiatives in the 1990s to find alternative solutions to the financial crisis (La Tercera, 2/12).

3. The mayor of Chaiten, Pedro Vasquez, met yesterday with Douglas Tompkins. The Chilean official said Tompkins had offered his assistance to rebuild Fandango, the area where the government wants to relocate the community buried by last year's volcanic eruption. Tompkins said he has no plans to buy more land in the province of Palena and that he is focusing on Pumalin Park, which was also affected by the eruption (El Mercurio, 2/12).

Bachelet in Cuba

4. Bachelet's visit to Havana started with a wreath-laying ceremony by Jose Marti's monument and the traditional photograph taken in front of Che Guevara's picture. She then visited the Biotechnology and Genetics Engineering Center, headed by Fidel Castro's son, to learn about the latest research. Bachelet also met with the Archbishop of Havana, Javier Ortega, for half an hour. Her final event for the day was her meeting with Raul Castro, which extended for nearly two hours. "We spoke about all issues that we considered of interest," said the Chilean President after her meeting with the Cuban leader and in answer to press inquiries if she had talked with Castro about human rights on the island (All dailies, 2/12).

5. "It was a positive meeting. We discussed all those topics that strengthen the relationship between Chile and Cuba. One of the international objectives is how to face the global crisis so that Latin American has just one voice," said Bachelet after meeting with Raul Castro (La Tercera, conservative, independent, circ. 101,000, 2/12).

6. The front-page headline of the Government-owned,

editorially-independent La Nacion read: "Bachelet lifts the embargo." As Bachelet and Raul Castro met, their respective advisors separated into working teams to discuss foreign affairs, trade, sports, congress, science and technology. Following this was the signing of agreements by Chile's International Cooperation Agency and Cuba's Foreign Investment and Economic Cooperation Ministry, and the Ministries of Agriculture on forestry and another on biotechnology.

Chilean Congressmen in Cuba

¶7. In yesterday's meeting with their Cuban congressional counterparts, Jose Miguel Ortiz -- the only Christian Democratic congressman in the delegation -- asked why Cuba had denied DC Patricio Walker a visa in 2003. Ricardo Alarcon, President of Cuba's parliament, said his country never grants visas to those who want to meet with the dissidents, adding that it would be as if one were asking the United States to accept the entry of individuals who want to meet with Muslim fundamentalists. PPD Congressman Marco Antonio Nunez inquired about the right to assembly and freedom of expression. Alarcon responded that citizen participation in Cuba is done through Popular Assemblies (La Tercera, 2/12).

Dissidents in Cuba

¶8. Cuban dissident leaders Oswaldo Paya and Vladirir Roca criticized Bachelet for not meeting with any dissident organizations, underscoring that Archbishops Ortega does not represent their views (La Tercera, 2/12).

¶9. "We expected greater solidarity from the President (Bachelet)," said Vladimiro Roca (La Segunda, conservative, afternoon, circ. 33,000, 2/11).

¶10. Oscar Espinosa, on bail for health reasons, said Bachelet was being "inconsistent" by not meeting with the dissidents. Manuel Cuesto, of the Arco Progresista party said, "It is not the time to visit a country and not meet with the democrats in that country." Vladimiro Roca of the Cuba Transition Agency said, "It's difficult to see how Chilean democrats are renouncing being democrats so that they can keep good relations with the government of Cuba (El Mercurio, 2/12).

¶11. In Havana, Chilean Communist Party President Guillermo Teillier said there is freedom of expression in Cuba. "I've never seen anyone in Cuba bite their tongue," adding that there is also freedom of assembly and that human rights are, in general, respected. "It all depends on how you look at it," said Teillier. His remarks infuriated Christian Democratic Party members in Chile. Former Congressman Patricio Walker said: "This shows the double standard of the PC, which only sees human rights violations by the right." Party President Juan Carlos Latorre noted: "It's outrageous for anyone to say that there is freedom of expression in Cuba. The problem is what happens to someone after they speak." Congressman Jorge Burgos added, "They (the PC) have always had a double standard on this issue" (La Segunda, 2/11).

Indigenous Affairs

¶12. The Carabineros police arrested Mapuche activist Miguel Tapia Huenculao, wanted for arson. In seizing two of his homes, they found military gear, guns, ammunition, detonators, explosives, a machine gun, and bullet-proof vests (La Tercera, 2/12).

¶13. The Intendencia of the IX Region, Nora Barrientos, criticized the request for asylum filed in Switzerland in favor of 11-year old Mapuche girl Relmutrya Cadin on the grounds that her family is being persecuted. Both her parents are in prison, said Barrientos, "because the courts of justice ruled that they violated the law. But this does not mean the family is being persecuted" (La Tercera, 2/12).

SIMONS